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ROYAL BANK OF CANADA
ANNUAL REPORT 1991



PART ONE
OPERATIONAL REVIEW

Royal Bank is Canada's largest financial services enterprise and one of North America's largest banks. We rank first among all financial institutions in Canada in terms of assets, capital and stock market value. We also command the largest market share of consumer loans, mortgages and deposits in the country.

In Canada, Royal Bank provides a full range of banking services to more than eight million consumer, independent business and corporate clients. These services are delivered by one of the largest banking networks in the world – 1,645 Canadian branches

and special business units, 3,632 banking machines, 175 self-serve account updaters and 23,000 point-of-sale merchant terminals.

Outside Canada, Royal Bank operates in 32 countries through more than 100 business units. These units deliver corporate banking, investment banking and treasury

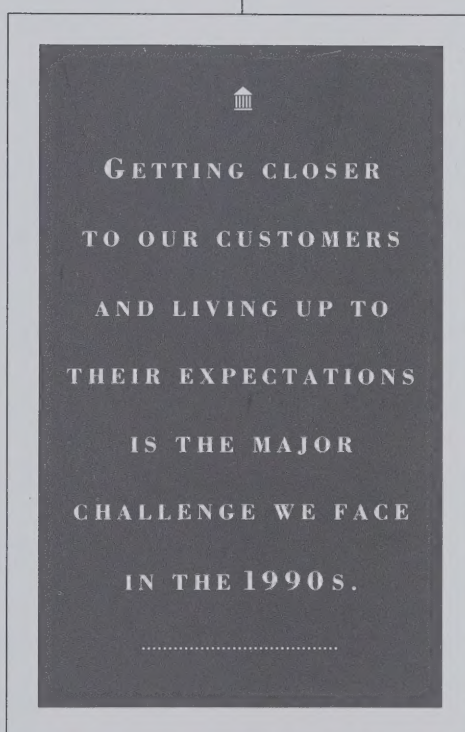
products to institutional clients as well as private banking services to individuals. In addition, Royal Bank has a well-established retail franchise in the Caribbean. Active correspondent relationships with more than 3,000 of the world's top banks in 180 countries further extend our global reach.

Investment banking activities are consolidated within RBC Dominion Securities Inc., which dominates the Canadian market in size and performance.

Another of the Bank's subsidiaries, Royal Bank Investment Management Inc., offers retirement

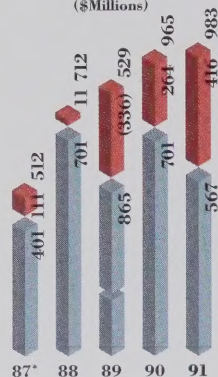
income, mutual funds, professional funds management and investment counselling services.

Royal Bank is 96.8 per cent owned by Canadian investors and almost 80 per cent of our employees are shareholders through the Royal Bank Employee Savings and Share Ownership Plan.



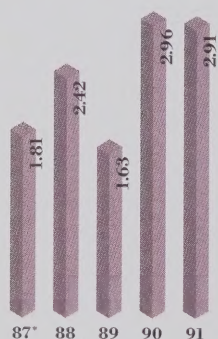
NET INCOME

(\$Millions)



International Domestic
*before special provision
for losses on country lending

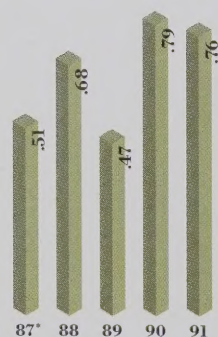
EARNINGS PER SHARE

(Fully Diluted)
(\$)

*before special provision
for losses on country lending

RETURN ON ASSETS

(Percent)



*before special provision
for losses on country lending

1991 1990 1989 1988 1987*

EARNINGS DATA

(For the year ended October 31)

Net income (\$ millions)	\$ 983	\$ 965	\$ 529	\$ 712	\$ 512
Return on assets76%	.79%	.47%	.68%	.51%
Return on common shareholders' equity	15.5%	17.5%	10.1%	17.2%	11.5%

BALANCE SHEET DATA

(As at October 31) (\$ millions)

Total assets	\$132,352	\$125,938	\$114,660	\$110,054	\$102,170
Loans	98,344	92,694	83,239	77,781	69,293
Deposits	105,022	99,168	89,186	87,238	85,811
Debentures	3,076	2,299	2,118	2,000	1,521
Shareholders' equity	7,762	6,454	5,783	5,087	4,364

CAPITAL RATIOS - BIS RISK-BASED

(As at October 31)

Tier I capital ratio	6.1%	5.0%	4.8%	4.2%	
Tier II capital ratio	3.3%	2.4%	2.4%	2.4%	
Total capital ratio	9.4%	7.4%	7.2%	6.6%	

COMMON STOCK DATA

(For the year ended October 31)

Earnings per share					
Basic	\$ 2.92	\$ 3.00	\$ 1.64	\$ 2.52	\$ 1.89
Fully diluted	2.91	2.96	1.63	2.42	1.81
Dividends per share	1.16	1.16	1.10	1.04	1.01
Share Price: High	27.50	25.69	24.38	18.25	19.44
Low	20.50	19.75	16.88	13.06	12.81
Close - October 31	27.00	20.75	24.25	18.00	13.88
Book value - October 31	19.91	18.10	16.16	15.58	14.20

NUMBER OF:

(As at October 31)

Common shares outstanding (thousands)	306,460	293,267	286,674	265,300	236,010
Employees - full time	43,273	42,910	41,777	40,255	37,807
- part time	14,323	13,979	12,692	11,478	9,970
Service delivery units					
Domestic	1,645	1,617	1,560	1,513	1,467
International**	102	48	47	47	50
	1,747	1,665	1,607	1,560	1,517
Automated banking machines	3,651	3,142	2,334	1,632	1,337

*Earnings results for 1987 are expressed before the special provision for losses on country lending. After the special provision, the Bank reported a net loss of \$288 million, or \$1.60 per common share.

**International service delivery units in 1991 include (in addition to branches) representative offices, agencies and subsidiaries.

Domestic personal deposits rose \$4.1 billion to \$60.1 billion. Royal Bank's market share of these deposits, among all banks, was 25.6 per cent.

Assets of our RoyFund family of mutual funds more than doubled to \$2.3 billion.

More than 4.5 million Canadians held a Royal Bank VISA Gold or VISA Classic card.

Gains in market share were achieved in all aspects of our Retail Banking business.

Strong earnings from international operations and weak domestic markets underlined the importance of geographic diversity.

RBC Dominion Securities acquired McNeil Mantha Inc. and reported record earnings.

A total of \$1.7 billion in new capital was raised externally during the year, more than any other company in Canada.

Our "one per cent commitment" to corporate giving resulted in donations of more than \$12 million.

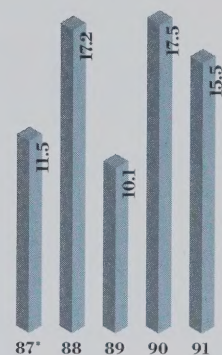
Royal Bank became the first chartered bank in Canada to publish a formal privacy code.

Close to 12,000 tons of paper were recycled during the year and we began recycling such items as plastic bags, boxes, newspapers and glass.

Foreign exchange contributed to strong Treasury profits with daily average trading volumes of \$13 billion.

RETURN ON EQUITY

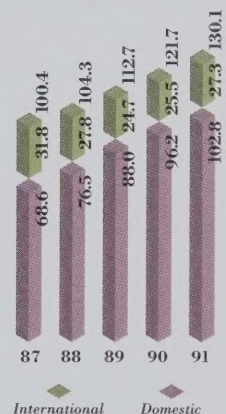
(Percent)



*before special provision for losses on country lending

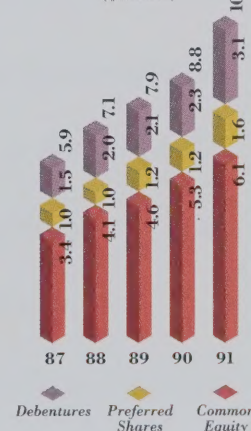
AVERAGE ASSETS

(\$Billions)



CAPITAL FUNDS

(\$Billions)



TO OUR SHAREHOLDERS

A NUMBER OF DRAMATIC EVENTS UNFOLDED ON THE WORLD STAGE DURING THE PAST YEAR CREATING CHAOS AND OPPORTUNITY AS WELL AS IMPORTANT SHIFTS IN THE GLOBAL POLITICAL AND ECONOMIC BALANCE. IN CANADA, CONSUMERS AND BUSINESSES – many of them our customers – also contended with economic and political uncertainty.

In light of the difficult economic environment that prevailed for most of the year, it is not surprising that profits were significantly affected by higher-than-expected domestic loan losses and non-accrual loans. Fortunately, earnings from Treasury, Investment Banking and our international operations were strong. Overall, net income was \$983 million, two per cent higher than last year.

This translated into a return on common shareholders' equity of 15.5 per cent compared with 17.5 per cent in

1990. The reduction reflected a lower leverage ratio as common equity grew faster than assets.

By year-end, there were signs that the economy had begun to improve slowly and, reflecting reduced inflationary pressures, interest rates had declined significantly.

Given our larger equity base and the expectation of a lower interest rate and inflationary environment in Canada, Royal Bank revised its goal for return on equity to 16 per cent from 18 per cent.

Total assets at year-end stood at \$132.4 billion, an increase of \$6.4 billion or five per cent from a year ago. This

relatively modest increase reflected weak consumer spending and low business capital outlays as well as our emphasis on the quality of the business we booked rather than on the growth of our loan portfolio.

The impact of the recession on domestic business borrowers was particularly significant. This was reflected in higher loan losses and non-performing assets and a steep decline in profits from Corporate Banking.

Earnings from Retail Banking were slightly lower than last year partly due to higher consumer loan delinquency rates.

Lower earnings from these two core businesses were offset by improved results from Treasury and Investment Banking. RBC Dominion Securities generated record earnings.

Profits from our international operations, which rose sharply in 1991, benefitted from higher interest payments from Brazil and the reversal of \$100 million of the country risk provision.

Capital spending, particularly in the retail network where we have invested heavily in recent years to build one of the strongest and largest retail delivery networks in North America, slowed considerably in 1991.

We expect to realize further reductions in spending through rationalization of man-

agement structures, further centralization of processing operations support, the introduction of more efficient procedures and through the innovative use of technology.

Keeping expense growth in balance with revenue growth should result in



ALLAN R. TAYLOR

Chairman & Chief Executive Officer (at right)

JOHN E. CLEGHORN

President & Chief Operating Officer (at left)

improved productivity and, in turn, a higher return on assets. In 1991, return on assets was .76 per cent compared to .79 per cent last year. Our long-term goal for return on assets is .90 per cent, which was last achieved in the first quarter of 1990, just before the onset of the recession.

Our financial results for 1991 confirm the underlying strength of our earnings base and the significance of the geographic diversity of Royal Bank's operations in Canada and internationally.

Royal Bank's total capital rose to \$10.8 billion, an increase of \$2.1 billion or 24 per cent over last year. Our capital ratios now exceed international BIS standards by a comfortable margin, thus providing considerable flexibility for future growth internally or through acquisitions.

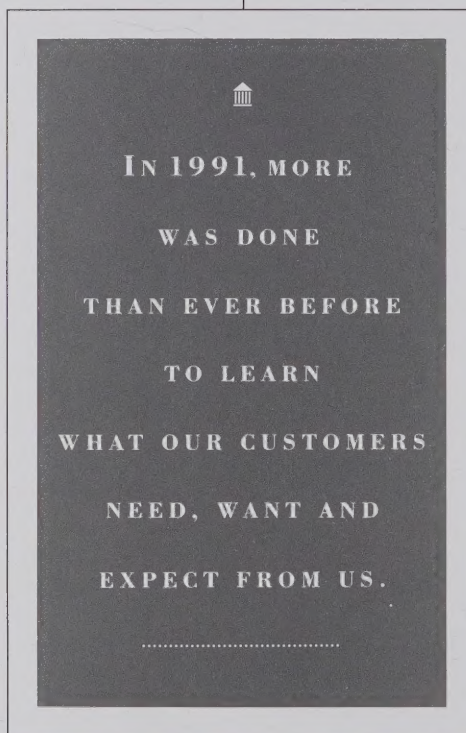
Domestically, we have one of the best retail banking franchises in the world. It has a broad and competitive product offering and the groundwork has been laid to expand into new services as regulations permit.

Although hampered by delays and deficiencies in the federal government's package for financial reform, our strategy for diversifying our sources of revenue remains on track.

Our emerging businesses, such as investment management,

insurance, retirement income and trust services, will enable us to strengthen and expand relationships with our client base of more than eight million Canadians.

Shareholders who know Royal Bank well will recognize that we are a very different bank today than we were a



decade ago – also a time of recession in Canada.


Our stronger retail orientation has significantly lowered Royal Bank's risk profile. Further improvements will result from the emphasis we have placed on fee-based and trade services, electronic banking and custodial services provided to our corporate clients.

We have learned to quantify risk more effectively and we have centralized our credit processes to improve monitoring. New credit pricing and profitability standards have also been introduced. Improvements in the balance and quality of our loan portfolio have been achieved by avoiding high-risk areas like highly leveraged transactions and U.S. commercial real estate.

We made good progress in 1991 towards our objective of differentiating ourselves from our competition by being the clear leader in service quality. In 1991, more was done than ever before to

learn what our customers need, want and expect from us. A great deal of effort was also devoted to developing the effective measuring and monitoring techniques that we believe are essential to winning the battle for customer loyalty.

Strength, profitability and industry leadership, in the final analysis, require doing everything well and key things exceptionally well. We hope that as you read through the pages of this report you will come to share our belief that we have the people, the energy and the resources at Royal Bank to meet that challenge – exceptionally well.



ALLAN R. TAYLOR
Chairman & Chief Executive Officer



JOHN E. CLEGHORN
President & Chief Operating Officer

THE YEAR IN REVIEW

THIS OPERATIONAL REVIEW REPORTS ON THE ACTIVITIES OF ROYAL BANK'S MAJOR BUSINESS UNITS AND THE MANY WAYS ROYAL BANKERS HAVE RESPONDED CREATIVELY AND ENERGETICALLY TO THE EXPECTATIONS OF OUR CUSTOMERS. IT ALSO PROVIDES SHAREHOLDERS WITH SOME INSIGHT ON THE GREAT

importance we place on the ongoing development of our employees and the value of their contribution to Royal Bank's progress and to the communities they work and live in.

RETAIL BANKING

Royal Bank took important steps in 1991 to ensure that we remained the leading provider of financial services to the retail market in terms of quality, growth and profitability. We did so in a fiercely competitive market that continued to evolve from one demanding traditional banking services to one that, increasingly, requires a much broader offering of financial services and products.

Among the many developments in 1991, particular emphasis was placed on further improvements to service quality; the continuing expansion of our delivery network; and the development of services and products critical to our future growth and profitability.

Becoming the clear leader in service quality is Royal Bank's number-one priority and a goal we pursued aggressively in 1991. The most visible signs of progress in improving service quality

were to be found in our branches. But important quality gains also took place behind the scenes in our 25 processing, business and operations centres.

Our network of branches and banking machines forms a highly integrated nationwide delivery system. It is also a key factor in the success of our retail banking franchise which last year provided a broad array of financial services to more than eight million consumer clients, 236,000 independent business owners and operators and 90,000 agriculture clients. Our branches also offer transaction services to 28,000 Canadian corporate clients.

We have invested heavily in recent years to build the largest and one of the most effective retail delivery systems in North America. At year-end, it included 1,645 Canadian branches and special business units, 3,632 banking machines, 175 self-serve account updaters and 23,000 point-of-sale merchant terminals.

Outside Canada, our Retail Banking network extends to the Bahamas and Cayman Islands, Barbados and the eastern Caribbean, where we

Rosa Pereira Lopes

is training to become
an Area Manager
in an innovative new
program we call
"Area Management
University". Rosa has
26 years experience in
our branches.



Wanting to forge
stronger links between
the Bank and the com-
munity, we created the
position of area man-
ager in 1989. As well as
general banking, the
curriculum of Area
Management University's
first graduating
class of '91 also included
marketing, human
resources and technol-
ogy, all with a strong
quality service and
community orientation.



have a major market presence, and to Puerto Rico where we operate a network of 18 branches.

Improving the quality of our delivery network also meant responding to customers with special needs. For example, we continued to expand banking facilities for seniors and close to 1,000 of our branches are accessible to people with physical disabilities.

While good progress has been made in these areas, we recognize that there is still more to be done. Royal Bank is committed to responding to all our customers with special needs in the construction and refurbishing of our branches.

In September, we opened a unique "SuperBranch" in Burlington, Ontario – a living laboratory applying the latest ideas in technology and customer convenience while still meeting our customers' expectations for individualized service.

Like many of our newer branches, the Burlington branch offers a wide variety of services, ranging from 24-hour, self-service transaction processing, to staff-assisted counter service through to more complex services requiring consultation.

Providing an appropriate level of service – representing true value to our customers – takes on a special dimension in today's global market for private banking where customers require and expect more personalized service. Our network of Private Banking units – 35 centres

in Canada and an additional 19 offices located in key international cities – is unrivalled in the marketplace. In addition, our clients are also able to receive specialized services through subsidiaries in the Channel Islands, Switzerland, the Isle of Man, the Bahamas and Cayman and, in Canada, through Royal Bank Investment Management Inc., RBC Dominion Securities and The International Trust Company.

Market share is both a condition and a measurement of our success in meeting customer expectations. In 1991, we continued to increase market share on average in all key aspects of our retail business.

Retail deposits are a vital and stable source of funds for Royal Bank. Sixty-one per cent of the Bank's total deposits, some \$64.3 billion, now come from individual depositors compared with 49 per cent just

five years ago. In comparison, other Canadian banks, on average, derive approximately 52 per cent of their deposits from retail clients.

At the end of the year, Royal Bank had 25.6 per cent of the personal deposits held by banks in Canada. This represented an additional \$4.1 billion over the previous year.

Tax-sheltered deposits represented the fastest growing segment of our deposit business in 1991 as more Canadians recognized the importance of providing for their future. Our market share



among banks for these deposits reached 25.4 per cent in 1991, an increase of 33 basis points over the previous year.

Our growing family of RoyFund mutual funds also enjoyed strong growth in 1991. Assets increased by more than 100 per cent to \$2.3 billion. Contributing to this surge were two new funds – a highly successful T-bill fund that broke all records for growth and a U.S. dollar money market fund that also attracted strong investor interest.

Royal Bank has more than 4,000 Personal Bankers who are specially trained to sell mutual funds. Located in all of our branches, they constitute the largest mutual fund sales force in Canada, representing one-quarter of all such licensed individuals.

Our share of consumer credit also continued to trend upward in 1991 compared to both banks and other financial institutions.

Residential mortgages, the biggest component of our consumer loan portfolio, grew to \$29 billion in 1991. Royal Bank remained the country's largest provider of residential mortgages by a sizeable margin.

Response to a year-long debit card pilot in the Ottawa-Hull region exceeded all expectations. Twice as many retailers participated in the Interac Direct Payment project as anticipated, and the volume of transactions was two-and-a-half times greater. Using their banking machine cards, shoppers pay for purchases directly from their bank

accounts. The service will gradually become available across the country, starting with Quebec and British Columbia in the fall of 1992.

We improved our ability to handle cardholder inquiries by installing a new automated customer service system in our VISA centres. The system employs state-of-the-art imaging technology to help resolve cardholder inquiries more efficiently and quickly. To improve customer service, we also expanded our successful 1-800 information line

concept to our VISA centres.

Royal Bank's VISA Gold is the most popular card of its kind in the country. More than 4.5 million Canadians now hold a Royal Bank VISA Gold or VISA Classic card.

Our relationships with one in four of the estimated 906,000 independent businesses in Canada are also managed by Retail Banking. Longer account management tenure, increased staff training and expanded financial infor-

mation for entrepreneurs were priorities for service enhancement in 1991.

In keeping with Royal Bank's overall emphasis on employee training and development, a five-week training program for account managers was redesigned into a nine- to 12-month internship.

In October, in conjunction with Small Business Week, we launched *Borrowing Money*, the third in a revised series of **Your Business Matters** self-help books. This latest book helps demystify business borrowing for clients. The series also includes



Bond & Wallace is one of 2,000 retailers in Ottawa-Hull to participate in a very successful Interac Direct Payment pilot. This debit card service next becomes available in Quebec and British Columbia in September 1992.

Starting Out Right, which provides useful tips on launching a small business, and *The Source Book*, an extensive province-by-province listing of information and help available to entrepreneurs.

In 1991, we also worked with many of our 90,000 clients in the agriculture sector with a variety of programs designed to assist them in money management and business planning.

While traditional banking services received much of our attention – and generated most of our revenue – in 1991, development of emerging services and businesses gathered momentum.

We continued to strengthen our personal and institutional portfolio management capability through Royal Bank Investment Management Inc., which manages money for four distinct markets: mutual funds, private clients, small to mid-size businesses and large institutional pension funds. It is the largest bank-owned

investment management firm with assets under management of \$6 billion at the end of fiscal 1991.

Improvements to our discount brokerage service, Action Direct, included a new self-directed feature for retirement planning. In addition, the service was expanded into Atlantic Canada and British Columbia from its base in Ontario and Quebec. Further expansion will bring the service to other western Canadian provinces in 1992.

Royal Bank is a major provider of creditor life and disability insurance to more than two million of

its borrowing customers. Although the final direction of our insurance business will be guided by legislation, our goal is to expand the range of relevant insurance products available to our customers where we can add value to their relationship with us.

Likewise, our agreement to purchase the business assets of The International Trust Company leaves Royal Bank in a strong position to expand into trust services once regulatory approval is obtained.

In addition to providing trust and custodial services to more than 100 institutional and pension fund clients, The International Trust Company last year introduced personal wealth services, its new personal trust services for high net worth individuals.

The efforts of the more than 5,000 people in Operations and Service Delivery play a key role in our drive to differentiate Royal Bank from

its competitors by being the clear leader in service quality.

In some 25 processing, business and operating centres across Canada, in the United States, and in the Caribbean, they ensure that transactions between Royal Bank and our customers – millions of them every day – are handled quickly, efficiently and accurately. They provide the operational support that enables our front-line staff in the branches and elsewhere to deliver a quality product to our customers.

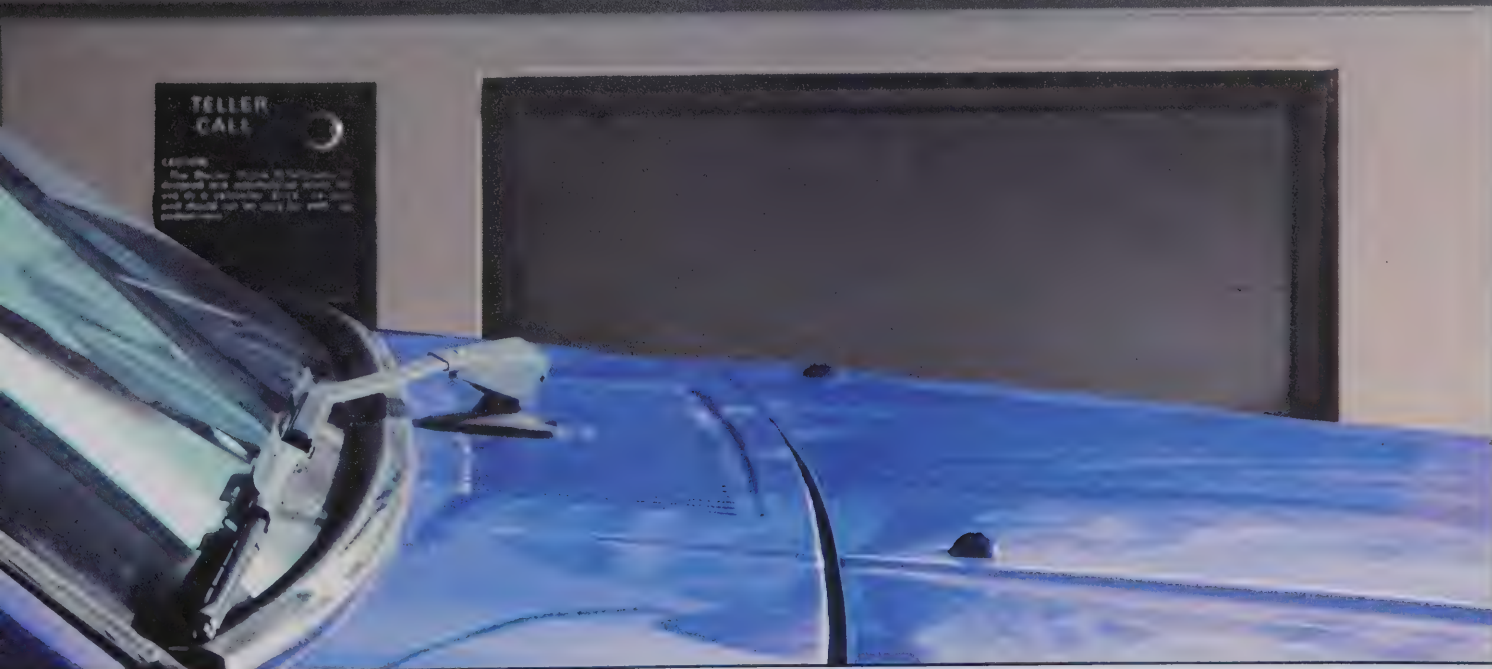


Investors' Corner is a unique pilot information unit introducing Royal Bank's growing family of investment services, including mutual funds, full-service and discount brokerage, trust and offshore investors' services.

The personal touch
will not disappear from
the bank of the future.
Customer Service
Representative Kerry
Meyer helps a customer
at one of two 24-hour
"drive-thru" wickets at
Royal Bank's ultra-
modern SuperBranch
in Burlington, Ontario.



Royal Bank's Super-
Branch, opened in Sep-
tember 1991, is Canada's
most modern banking fa-
cility. A living laboratory
of new ideas and technol-
ogy, it features futuristic
design, a high degree of
automation and round-
the-clock service. And
the focus, whether through
personal service adapted
to client needs or numer-
ous automated banking
machines, is on improved
customer convenience.





International trade has always played an important role in the Canadian economy and never more so than today when our quality of life rests heavily on the ability to trade competitively in an increasingly global market. Royal Bank is committed to providing customers with the most innovative and technologically advanced trade services, such as our electronic trade product, LC Direct, to help them succeed.



Claudia Cook specializes in asset securitization at our Corporate Finance unit in Toronto. The unit works with Corporate Banking's domestic and international account managers and with RBC Dominion Securities to reshape corporate balance sheets.

CORPORATE BANKING

The strong performance of our international operations in 1991 in the face of difficult economic conditions throughout the world provided convincing evidence of the success of our Corporate Banking strategies off-shore and the value of a strong and well-established network.

In Canada, the impact of the recession was significant in the corporate and commercial market. This was reflected in higher-than-expected loan losses and non-performing assets. The effect of these factors on domestic interest revenues and portfolio quality prompted us to take a number of actions.

We worked closely with our credit risk management group to improve our monitoring and risk measurement processes for both individual and business borrowers. New credit pricing and profitability standards have been developed and implemented that will have a longer-term benefit on credit returns and earnings stability. A client profitability model has been rolled out for use by our account managers to better assess the profitability of individual corporate relationships on a total product basis. On balance, more emphasis has been placed on portfolio quality and less on asset growth.

The recession served to reconfirm our belief that operating services are less sensitive than credit products to business cycles and generate steadily improving revenues through both good times and

bad. Acting upon the growth potential these products again demonstrated during 1991, we directed additional capital and systems development resources to our fee-based non-credit services.

We continued to build upon our leadership in electronic business banking products, with particular emphasis on upgrading and expanding the functionality of our cash management and payroll services. Many of these products were developed for large corporations, but now are being tailored

and delivered on a cost-effective basis to smaller companies as well.

We also enhanced our position as the leading domestic bank in the application of Electronic Data Interchange (EDI) to our client base during the year. In July, we signed an agreement with PNC Financial Corporation to facilitate cross-border EDI payments between Canada and the United States. General Motors Corporation's Canadian suppliers

became the first users of the joint system.

Internationally, we expanded the number and depth of the global relationships we have with top-tier multinational corporations and financial institutions. These relationships have been built on a commitment to relationship management that emphasizes service quality and competitive products – trade, finance, treasury risk management, investment banking, stand-by credit, corporate finance and syndicated lending.

Our syndicated lending team, based in London,



Electronic Data Interchange (EDI) offers users many benefits, among them "just in time" inventory control. Other electronic banking products for cash management and payroll services are also industry leaders.

New York and Toronto, was ranked sixth in the world in a survey of more than 100 of the international capital market's more active borrowers and users of derivative products. Survey participants were asked to rate the commercial and investment banks they use for raising capital and managing risk on their liabilities.

Our trade services activities were consolidated during the year within our Financial Institutions group to make the most of the synergies of these two functions with regard to credit risk management and marketing. We intend to reposition and expand our trade services capabilities during the next several years in response to customer requirements and revenue opportunities.

The past year created a challenging operating environment climate – new areas of operation, increasingly sophisticated client expectations and, in the short-term, an economic downturn.

The ability of our Corporate Bankers to respond to these changing conditions on the front line and in the back office has been crucial to our success in meeting customer expectations and in providing them with quality service. Positive responses to our ongoing customer surveys confirm our belief that we have the best people in the business.

TREASURY

Our Treasury Division has developed a world-class reputation for its rate risk management,

foreign exchange and money market products. In 1991, we continued to make solid progress in four key areas of this profitable business: risk management, technology, product and distribution.

Royal Bank's conservative approach to the management of its treasury business is reflected in the historical stability and consistency of our earnings from these operations. In 1991, Treasury's strong performance accounted for 15.2 per cent of the Bank's net income.



Our London dealing room is a key link in a 24-hour global trading day that begins in Tokyo. Treasury and Corporate Banking worked together to successfully expand our European client base in 1991.

Good progress was made in the global integration of our systems bringing additional efficiency to the back office of our foreign exchange and money market operations in Toronto, New York and London. Our trading rooms in these locations and 15 others in Canada and elsewhere account for about two per cent of the daily average trading volumes in global foreign exchange markets. That amounts to \$13 billion on an

average day.

Technology is critical to our competitiveness and the ability of our traders and back-office staff to provide customers with superior service. Quality people and leading-edge technology have helped us to establish a strong competitive position. In the United States, for example, Royal Bank ranks third in market penetration among all banks dealing with Fortune 500 companies.

External surveys also confirmed our position in 1991 as the leading Canadian bank for interest

rate risk management products with a 25 per cent market share among Canadian banks for all currencies.

INVESTMENT BANKING

The Canadian securities industry enjoyed better times in 1991 in contrast to the previous year. At RBC Dominion Securities, our investment banking arm, this translated into record earnings of \$50 million.

The firm dominated the domestic market in underwriting and advisory activities. Its acquisition in October of McNeil Mantha Inc. consolidated its position as Canada's largest, fully integrated investment bank and further strengthened its base in the Quebec market.

In 1991, the relationship between Royal Bank and RBC Dominion Securities continued to strengthen. A high level of co-operation between the staffs of both organizations resulted in an increasing number of alliances that enhanced business development opportunities at both the retail and corporate level.

OUR PEOPLE

Royal Bank places a premium on attracting and retaining people of outstanding quality. Underpinning this is a strong emphasis on programs that recognize both the professional and personal needs of our employees.

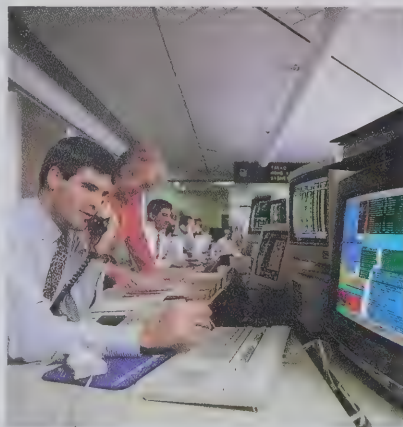
At the end of fiscal 1991, we had 57,596 full- and part-time staff. Their professional development is

crucial to our ability to provide first-rate services to our customers. Not surprisingly, we consider the approximately \$79 million spent on training and development activities during the year an important investment.

These activities take many forms. They involve both internal and external faculty and trainers who teach more than 300 courses. Some are highly specialized. For example, we are the only bank to develop a professional treasury training program

to bring new people along. Other programs range from less than a day to several months in duration.

One of Royal Bank's major initiatives last year involved the development of an intensive series of courses and training modules designed specifically to enhance the leadership skills of our area managers. The position of Area Manager was established to bring the Bank closer to its customers by decentralizing the decision-



Capital market specialists who work on our Toronto Swaps Desk like Bill Smith, Alyson Arsenault and Ali Jalai have helped make Royal Bank the leader in Canada for rate risk management products.

making process. Each of our 176 area managers is responsible for a cluster of branches and, collectively, they manage about 30,000 of our staff. The program, which has become known within Royal Bank as Area Management University, extends over a six- to eight-month period and involves extensive training – in the classroom and on the job. The same concept is applied to courses designed for Corporate Banking account managers, Independent Business specialists and Private Bankers.

Productivity gains improve competitiveness

and profitability. They also require strong staff commitment. On the compensation side, our Quality Performance Incentive program, which in 1991 became one of a handful in North America that rewards the contributions of all staff at all levels, further strengthened the link between performance and reward.

Similarly, our Special Achievement Awards program empowers management staff to recognize outstanding contributions to Royal Bank by individual employees and teams. Close to \$3 million was awarded to employees through this program in 1991.

The Royal Bank Employee Savings and Share Ownership Plan (RESSOP) also benefits employees through share ownership, thereby aligning the interests of employees to those of our shareholders. Almost 80 per cent of eligible employees participated in the program last year, an increase of 14 per cent from the previous year.

More employees participated in our Staff Suggestion program which was redesigned in 1991. The program generated some 12,200 suggestions during the year, resulting in greater efficiency, better services and improved profitability.

As Royal Bank's expectations of its staff have increased, so has the need to provide them with a more flexible balance between their responsibilities at work and at home. Royal Bank's Work and Family program, formalized in 1991, builds on successful elements that have existed within the

Bank for some time. New initiatives built into the program include dependent care information services and flexible work options – where it is in the interest of clients, the employee and Royal Bank.

Eliminating the barriers that organizational structures inevitably create requires a culture in which open, effective internal communications can flourish. "Speak Up" – a program designed to foster and integrate open communication in our day-to-day activities – was a new initiative in 1991. It

complements other programs with a similar focus like our Round Table meetings, staff forums, Visions and Values orientation sessions and Quality People/Quality Leadership management programs.

In today's diverse business environment, our commitment to the principles and objectives of employment equity are more important than ever. In 1991, we became the first Canadian bank to reach an agreement with the Canadian



For Lolita Magallon, a Customer Service Officer in Brossard, Quebec, the Bank's Work and Family Program means the welcome flexibility of working part-time while caring for her young family.

Human Rights Commission. This includes three-year hiring and promotion goals to increase the number of women and visible minorities in senior management and to strengthen efforts to recruit aboriginal employees.

We also continued to actively promote the employment and advancement of people with disabilities. Our sponsorship of National Access Awareness Week involved us in a number of activities dealing with issues faced by both staff and customers with disabilities.

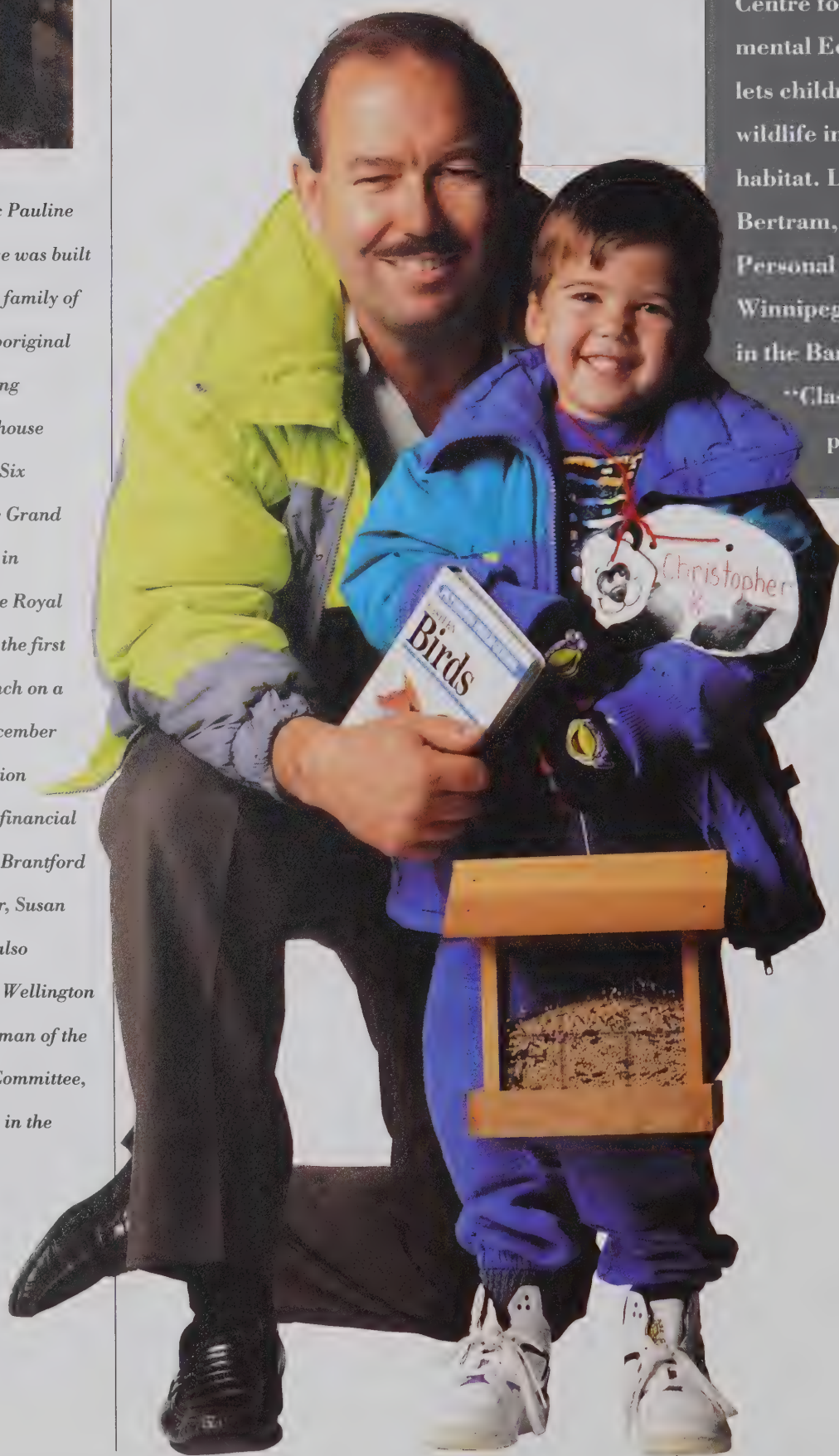
Bob Sheridan
joined Royal Bank in
October 1991. Located
in Vancouver, Bob is
enrolled in our year-
long Independent
Business Account
Management training
program.



The MicMac Native
Learning Centre in
Halifax, Nova Scotia,
offers many courses; one
of them is Royal Bank's
Customer Service
Representative Training
Program. Aboriginal
student, Anita Martell
(seated), studies with
instructor Carol
MacDonald, Assistant
Customer Service/
Operations officer at
our Gottingen Street
branch in Halifax.



The historic Pauline Johnson House was built in 1856 by the family of the famous aboriginal poet. Now being restored, the house stands on the Six Nations of the Grand River reserve in Ontario where Royal Bank opened the first full-time branch on a reserve in December 1991. In addition to the Bank's financial contribution, Brantford area manager, Susan Singleton, is also working with Wellington Staats, Chairman of the Restoration Committee, to raise funds in the community.



The Fort Whyte Centre for Environmental Education lets children study wildlife in their natural habitat. Laurence Bertram, manager, Personal Banking in Winnipeg, is involved in the Bank-sponsored "Class Act" visiting program.

All of our employee programs and policies, some of which have been described briefly in this Operational Review, reflect the belief that, it is only by treating our own people with fairness and respect, that we can provide our customers with the quality of service they expect.

THE COMMUNITY

At Royal Bank, our commitment to quality goes beyond serving customers. It extends to serving the communities in which we all live and work. This stems from an understanding that the social issues affecting our communities have a profound impact on the Bank and its employees. This is why Royal Bank became a founding sponsor of IMAGINE, a public awareness campaign to stimulate personal and corporate giving to Canada's charitable and other non-profit organizations. This is also why Allan R. Taylor now serves as a volunteer chairman of its corporate program.

As one of IMAGINE'S "Caring Companies," Royal Bank has committed to a policy of donating one per cent of average domestic pre-tax profits and to encouraging employees' charitable giving and volunteering. Last year, our "one per cent commitment" amounted to donations of more than \$12 million.

While we are proud that Royal Bank is one of Canada's top corporate donors, we are even prouder of our staff and the strong tradition they have established of donating their time, efforts and

money to supporting community activities. Whether raising money for children's hospitals across Canada, or delivering lunches to the elderly as part of the Meals On Wheels program, or coaching young athletes, our employees spend thousands upon thousands of hours helping a wide range of non-profit organizations, including charitable, fraternal and church groups, service and recreational clubs, health, welfare and educational institutions, social agencies and community organizations.

In support of these efforts, Royal Bank last year sponsored its first volunteer fair. Held in Toronto, it brought representatives of 40 charities and non-profit organizations together with about 2,000 of our employees. In addition to promoting volunteerism, it also helped educate our staff about the many diverse needs that exist in the area.

Providing helpful consumer information is another

way that Royal Bank contributes to community affairs. Last year, we updated the **Your Money Matters** series of publications, which provide useful tips on budgeting, buying or renovating a home, buying a car, preparing for retirement and investing.

Since adopting a formal environment policy in 1990, Royal Bank has continued to implement new measures to make our operations more "environmentally friendly." In addition to recycling close to 12,000 tons of paper in 1991, we began recycling



Volunteer Donna Cruikshank (centre) offers friendship and counsel to people in her community who have suffered a bereavement. Donna is a Personal Banking Representative in St. Albert, Alberta.

plastic bags, boxes, newspapers, glass and even silver from our microfiches. We also continued to pursue new ways to introduce recycled and reusable products in our daily operations.

Recognizing the importance of education in achieving a healthier environment, Royal Bank sponsored the production of *Sustainable Development: A Manager's Handbook*. Published by The National Round Table on the Environment and the Economy, this book provides helpful information on how businesses can pursue successful strategies that balance growth with the need to protect the environment.

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W. Earle McLaughlin, O.C., Royal Bank's Chief Executive Officer from 1960 until 1979, died on October 30, 1991, at age 76. He was an outstanding banker and a great Canadian.

Mr. McLaughlin joined Royal Bank in 1936 after graduating from Queen's University in Kingston, Ontario. He was elected President and Chief Executive Officer in 1960 and became Chairman and President two years later. He relinquished the Chief Executive Officer's role in 1979 but continued to serve as Chairman until he retired in September 1980.

Mr. McLaughlin presided over the Bank's affairs during a period of extraordinary social,

In addition, Royal Bank became a signatory to the International Chamber of Commerce's Charter on the Environment during the year and we are now a member of the United Nations Environment Program's committee that advises on the environment and commercial banks.

At Royal Bank, we believe that playing an active role in the community is not charity, but rather an important investment in our own future. After all, our success is inescapably tied to the

success of our customers and the vitality of the communities that we serve.

.....

political and economic change in Canada and the world. During his tenure, the Bank's assets increased almost 15-fold to \$62.8 billion.

His guiding philosophy was that Royal Bank's position as Canada's largest financial

institution carried with it a particular responsibility to the public good. He was a passionate, and sometimes outspoken, Canadian nationalist who cared deeply about Canada and about how government policy affected the lives of Canadians.

Mr. McLaughlin served as a Director of Royal Bank until January of this year. His friendship and counsel are greatly missed.



IN MEMORIAM

W. EARLE McLAUGHLIN

1915 - 1991

DIRECTORS

as of October 31, 1991

Allan R. Taylor Toronto <i>Chairman and Chief Executive Officer</i> Royal Bank of Canada	John E. Cleghorn Montreal <i>President and Chief Operating Officer</i> Royal Bank of Canada	Sir James Ball, M.A., Ph.D. London, England <i>Professor of Economics</i> London Business School	*Ian A. Barclay Vancouver <i>Associate</i> McQuaid & Associates Consulting Ltd.	*George H. Blumenauer Oakville <i>Chairman of the Board</i> Otis Canada, Inc.
**Jacques Bougie Montreal <i>President and Chief Operating Officer</i> Alcan Aluminium Limited	Robert W. Campbell Calgary <i>Retired Chairman</i> Canadian Pacific Limited	Robert M. Chipman Winnipeg <i>Chairman</i> The McGill-Stephenson Company Limited	Ronald L. Cliff, C.M., C.A. Vancouver <i>Chairman</i> BC Gas Inc.	George A. Cohon, C.M., Toronto <i>Chairman, President and Chief Executive Officer</i> McDonald's Restaurants of Canada Limited
Pierre Des Marais II Montreal <i>President and Chief Executive Officer</i> UniMédia Inc.	Mitzi S. Dobrin, C.M. Westmount <i>Chairman and Chief Executive Officer</i> DBRN Holdings Ltd.	John R. Evans, C.C., M.D. Mississauga <i>Chairman</i> Allelix Biopharmaceuticals Inc.	John T. Ferguson Edmonton <i>President and Chief Executive Officer</i> Princeton Developments Ltd.	*Jock K. Finlayson Montreal <i>Chairman</i> Royal Insurance Company of Canada
*Rowland C. Frazee, C.C. Montreal <i>Retired Chairman</i> Royal Bank of Canada	The Hon. Paule Gauthier, P.C., O.C., Q.C. Quebec City <i>Partner</i> Stein, Monast, Pratte & Marseille	Arden R. Haynes Toronto <i>Chairman and Chief Executive Officer</i> Imperial Oil Limited	Charles H. Knight Regina <i>Chief Executive Officer</i> Denro Holdings Ltd.	Walter F. Light, O.C., O.Ont. Toronto <i>Retired Chairman</i> Northern Telecom Limited
The Hon. E. Peter Lougheed, P.C., C.C., Q.C. Calgary <i>Senior Partner</i> Bennett Jones Verchere	Clifford S. Malone Toronto <i>Vice-Chairman</i> United Corporations Limited	Alexander B. Marshall London, England <i>Chairman</i> The Maersk Company Limited	J. Pierre Maurer New York <i>Retired Vice-Chairman of the Board</i> Metropolitan Life Insurance Company (New York)	G. Wallace F. McCain Florenceville, N.B. <i>President</i> McCain Foods Limited
Dawn R. McKeag Winnipeg <i>President</i> Walford Investments Ltd.	J. William E. Mingo, Q.C. Halifax <i>Barrister</i> Stewart McKelvey Stirling Scales	J. Edward Newall Calgary <i>President and Chief Executive Officer</i> NOVA Corporation of Alberta	Ronald W. Osborne, F.C.A. Toronto <i>President and Chief Executive Officer</i> Maclean Hunter Limited	Ralph A. Pfeiffer, Jr. Greenwich, CT. <i>Retired Chairman and Chief Executive Officer</i> IBM World Trade Corp.
Neil F. Phillips, Q.C. New York <i>Resident Senior Counsel</i> Goodman Freeman Phillips & Vineberg	Herbert C. Pinder Saskatoon <i>President</i> Saskatoon Trading Company Limited	*Charles I. Rathgeb North York <i>Company Director</i> Private Investments	Kenneth C. Rowe, F.C.I.S. Halifax <i>Chairman, President and Chief Executive Officer</i> I.M.P. Group Limited	Guy Saint-Pierre Montreal <i>President and Chief Executive Officer</i> The SNC Group
Robert T. Stewart Vancouver <i>Chairman, President and Chief Executive Officer</i> Scott Paper Limited	John A. Tory, Q.C. Toronto <i>Deputy Chairman</i> The Thomson Corporation	William P. Wilder Toronto <i>Company Director</i>	Victor L. Young St. John's, Newfoundland <i>Chairman and Chief Executive Officer</i> Fishery Products International Limited	

*Retires January 23, 1992

**Appointed November 5, 1991

BOARD COMMITTEES

The six standing committees of the Board of Directors of Royal Bank of Canada, as listed below, have the responsibility of maintaining integrity and sensitivity within the major areas of activity of the Bank consistent with the strategic development goals of the corporation.

The Audit Committee assumes the responsibility of reviewing the annual and quarterly financial statements and internal audit and compliance procedures of the Bank and of ensuring that disclosure of accurate, reliable data is made to interested parties.

Chairman: W.F. Light.

Members: R.M. Chipman, R.L. Cliff, J.R. Evans, A.B. Marshall, J.P. Maurer, R.A. Pfeiffer, Jr., J.A. Tory.

The Audit Committee, through meetings with shareholders' auditors, the Chief Inspector, the Chief Accountant, the Vice-President, Corporate Compliance and the senior management of the Bank and periodic reviews of internal audit and compliance procedures and accounting practices of the Bank, ensures the disclosure of reliable financial information. Management information systems development and revisions to accounting practices are subject to review by this Committee. The Committee also reviews management recommendations for issues of debentures by the Bank and may within limits prescribed by the Board of Directors authorize and approve issues of Bank debentures.

The Committee meets at least four times annually and as required. It reports to the Board of Directors on its activities, particularly its review of the Bank's financial statements and on the nomination and remuneration of auditors.

The International Strategic Issues Committee, acting in an advisory capacity to management and the Board, examines major international issues critical to the future of the Bank and/or the Bank's response to them.

Chairman: A.B. Marshall.

Members: Sir James Ball, J.K. Finlayson, J.P. Maurer, R.W. Osborne, C.I. Rathgeb, K.C. Rowe, R.T. Stewart, W.P. Wilder.

The International Strategic Issues Committee was created in 1987 and is charged with reviewing major international issues to consider their implications for the international and Canadian operations of the Bank as well as for Canada in general.

The Committee meets at least semi-annually and reports to the Board of Directors at least once each fiscal year.

The Loan Policy Committee sustains an advisory and monitoring role with regard to the lending policies and practices of the Bank.

Chairman: W.P. Wilder.

Members: I.A. Barclay, G.H. Blumenauer, M.S. Dobrin, J.T. Ferguson, R.C. Frazee, N.F. Phillips, H.C. Pinder.

The Loan Policy Committee reviews and monitors the application of credit policy to ensure prudent risk management and consistent strategic planning. Loans of magnitude exceeding the generally acceptable percentage of capital, and those involving unusual circumstances are studied by the Committee prior to management approval. Loans to directors and employees are approved by this group and, as required by the Bank Act, are reported to the Board of Directors. Finally, subject to the provisions of the Bank Act, administrative matters of an urgent nature may be referred to this Committee for approval prior to subsequent review by the following meeting of the Board.

The Committee meets regularly, twice a month, in addition to policy meetings and reports its activities to the Board of Directors with appropriate recommendations, desirable in the circumstances.

The Nominating Committee, under given criteria governing the overall composition of the Board, recommends suitable candidates for appointment as directors.

Chairman: C.S. Malone.

Members: J.K. Finlayson, C.H. Knight, D.R. McKeag, J.W.E. Mingo, V.L. Young.

The Nominating Committee, under guidelines established to sustain Board composition, reviews and recommends areas of representation which are complementary to the Bank's strategic development goals. The Committee further seeks to identify candidates who are able and willing to participate in the diverse scope of the Bank's activities.

The Committee meets at least semi-annually and reports to the Board of Directors at least once each fiscal year.

The Personnel and Compensation Committee, in an advisory capacity, reviews and monitors Personnel policies, management development program and total compensation practices of the Bank.

Chairman: A.R. Haynes.

Members: G.W.F. McCain, J.E. Newall, R.A. Pfeiffer, Jr., N.F. Phillips.

The Personnel and Compensation Committee is charged with periodic reviewing of the Bank's long-range plans and policies for recruiting, developing and motivating personnel. Compensation practices and management succession are areas of regular review and approval of remuneration of the Bank's most senior executive staff is required of this Committee.

The Committee is required to submit to the Board of Directors a report on its activities and any recommendations it deems appropriate.

The Public Policy Committee reviews the Bank's public posture to ensure that its operations remain consonant with the changing values and expectations of society.

Chairman: E.P. Loughheed.

Members: R.W. Campbell, G.A. Cohon, P. Des Marais II, R.C. Frazee, P. Gauthier, C.S. Malone, J.W.E. Mingo, G. Saint-Pierre.

The Public Policy Committee acts in an advisory capacity to the Board of Directors in areas relating to the Bank's overall interaction with its various key publics. Studies of the Bank's efforts to ensure ethical and socially responsible business conduct, corporate responsibility by way of both human resource and financial contributions, and the appropriateness of Public Affairs considerations as related to the Bank's strategic goals, form the key elements of this Committee's functional mandate.

Reports and recommendations are made at least once each fiscal year to the Board of Directors. The Committee meets at least semi-annually.

EXECUTIVE OFFICERS HEAD OFFICE

OFFICER DIRECTORS

Taylor, Allan R.
*Chairman & Chief Executive
Officer*
Toronto

Cleghorn, John E.
*President & Chief Operating
Officer*
Montreal

CORPORATE BANKING

Galloway, B.C.
Senior Executive Vice-President
Toronto

Operating Services

Achen, N.C.
Senior Vice-President
Toronto

Bodt, R.
Vice-President
Securities Products & Services
Toronto

Hogan, A.J.
Vice-President
*Electronic Banking
& Deposit Products*
Toronto

Prenger, J.H.
Vice-President
*Service Quality, Marketing
& Account Management Support*
Toronto

Financial Services

Hall, R.G.
Senior Vice-President
Toronto

Coulas, L.J.
Vice-President
Commercial Mortgages
Toronto

Dixon, D.J.
Vice-President
Asset Management
Toronto

van Schalkwyk, A.G.
Vice-President
Corporate Finance – East
Toronto

Waddingham, D.G.
Vice-President
Corporate Finance – West
Toronto

CORPORATE BANKING

Financial Institutions & Trade

Schroder, B.
Senior Vice-President
Toronto

Buth, L.M.
Vice-President
Financial Institutions – Canada
Toronto

Gray, R.B.
Vice-President
Trade
Toronto

Financial Management & Administration

Harvie, M.P.
Vice-President
Toronto

International & Strategic Planning

Bowbyes, A.A.
Vice-President
Toronto

STRATEGIC DEVELOPMENT – CORPORATE

Kelly, B.V.
Senior Executive Vice-President
Toronto

Arsenault, R.L.
Senior Vice-President
Real Estate
Montreal

Corporate & Retail

MacKay, J.K.
Vice-President
Toronto

RETAIL BANKING

Feeney, G.J.
Senior Executive Vice-President
Montreal

Card Services & Point of Sale

Fithern, W.R.
Senior Vice-President
Montreal

Insurance

Markwell, C.R.
Senior Vice-President
Montreal

Independent Business & Agriculture

Leahey, D.M.
Senior Vice-President
Montreal

Murphy, J.J.
Vice-President
Agricultural Banking
Winnipeg

Personal Banking

Guay, J.A.R.
Senior Vice-President
Montreal

Bougard, J.E.Y.
Vice-President
Deposit & Retail Services
Montreal

Leather, T.E.
Vice-President
Retail Securities
Montreal

Pennycook, R.S.
Vice-President
Residential Mortgages
Montreal

Phelan, M.F.
Vice-President
Personal Lending Services
Montreal

Walters, R.B.
Vice-President
Mutual Funds
Toronto

RETAIL BANKING

Private Banking

Webb, A.A.
Senior Vice-President
Montreal

Gray, B.M.
Vice-President
America
Montreal

Marketing & Planning

Gill, G.
Senior Vice-President
Montreal

Case, P.A.
Vice-President
Advertising
Toronto

Finance

Loucks, D.H.
Vice-President
Montreal

STRATEGIC DEVELOPMENT – RETAIL

MacDonald, W.A.R.
Senior Executive Vice-President
Toronto

Lablans, F.H.S.
Vice-President
Retirement Income Services
Toronto

EXECUTIVE OFFICERS HEAD OFFICE

TREASURY & INVESTMENT BANKING

Taylor, P.A.
Executive Vice-President
Toronto

Treasury Operations

Griffiths, B.P.
Senior Vice-President
Toronto

Dougherty, D.W.
Vice-President & Comptroller
Toronto

Grierson, P.
Vice-President
Operations & Systems
Toronto

Mirrlees, A.
Vice-President
Strategy & Planning
Toronto

Treasury Sales & Trading

MacKay, I.A.
Senior Vice-President
Toronto

Bastian, M.A.
Vice-President
Marketing & Sales
Toronto

Charbonneau, A.J.
Vice-President
Treasury-Quebec
Montreal

Muskat, I.
Vice-President
Swaps & Capital Market Products
Toronto

Sankey, R.J.
Vice-President
Money Markets
& Foreign Exchange
Toronto

INVESTMENT BANKING

RBC Dominion Securities Inc.

Pitblado, J.B.
Chairman
Toronto

Fell, A.S.
President & Chief Executive
Officer
Toronto

Mackay, W.R.
Executive Vice-President
& Chief Operating Officer
Toronto

RBC Dominion Securities Corporation

Ball, G.L.
President
New York

RBC Dominion Securities International Limited

Sturgeon, C.
Managing Director
London

RBC Dominion Securities Inc. Tokyo Representative Office

Ohtake, T.
Vice-President & Director
Tokyo

INVESTMENT MANAGEMENT

Royal Bank Investment Management Inc.

Luba, R.W.
President & Chief Executive
Officer
Toronto

CREDIT RISK MANAGEMENT

Bleackley, T.W.
Senior Executive Vice-President
Toronto

Corlett, M.A.
Senior Vice-President
Lending - International
Toronto

Stone, E.G.
Senior Vice-President
Lending - Canada
Toronto

Allen, O.W.
Vice-President
Lending - Canada
Toronto

Belisle, G.D.
Vice-President
Lending - International
Toronto

Benford, S.E.
Vice-President
Credit Policy
Toronto

Chang, R.S.
Vice-President
Lending - International
Toronto

Grant, R.S.
Vice-President
Lending - Canada
Toronto

Keller, M.R.
Vice-President
Lending - Canada
Toronto

Lundy, E.J.
Vice-President
Lending - Canada
Toronto

Pitz, P.G.
Vice-President
Lending - Canada
Toronto

Talbot, J.K.
Vice-President
Special Sovereign Loans
Toronto

Travis, R.E.
Vice-President
Lending - International
Toronto

von dem Hagen, K.A.
Vice-President
Country Strategies
Toronto

Waiser, M.A.
Vice-President
Lending - International
Toronto

CREDIT RISK MANAGEMENT

Special Loans

McDermid, T.R.
Senior Vice-President
Toronto

Anderson, J.D.
Vice-President
Toronto

Squires, W.D.
Vice-President
Calgary

Vanni, F.J.
Vice-President
Toronto

CORPORATE PLANNING & ORGANIZATION

Wells, D.S.
Senior Vice-President
Montreal

Lockie, A.
Vice-President
Montreal

Walz, J.C.
Vice-President
Montreal

**ECONOMIC &
CORPORATE AFFAIRS**

Neufeld, E.P.
Executive Vice-President
Toronto

Delamere, D.R.
Vice-President
Public Affairs
Toronto

Parker, R.R.
Vice-President & Chief Advisor
Government Affairs
Ottawa

Thomson, A.J.
Vice-President
Economics
Montreal

FINANCE

Bolduc, J.E.
Executive Vice-President
& Chief Financial Officer
Montreal

Merriam, J.
Senior Vice-President Finance
& Chief Accountant
Montreal

Shaw, J.H.
Vice-President & Corporate
Comptroller
Montreal

Thomas, R.
Vice-President
Accounting & Financial
Information Development
Montreal

Corporate Compliance

MacDonald, F.G.
Vice-President
Toronto

Inspection

Tallman, G.G.
Senior Vice-President
& Chief Inspector
Montreal

Farrow, G.E.
Vice-President
Inspection, Investment
Banking & Treasury
Toronto

Ferguson, E.D.
Vice-President
Inspection, Banking Network
Montreal

FINANCE

Inspection

Marshall, B.C.
Vice-President
Inspection, Corporate
Accounting & Reporting
Montreal

Phillipps, H.I.
Vice-President
Audit Planning, Standards
& EDP Audit
Toronto

Law

Burnett, J.T.
Senior Vice-President
& General Counsel
Toronto

Taxation

Morris, T.C.
Vice-President
Montreal

HUMAN RESOURCES

McCartney, W.J.
Executive Vice-President
Montreal

Baird, E.V.
Vice-President
Corporate Human Resource
Services
Montreal

Galbraith, W.N.
Vice-President
Succession Planning
Montreal

Gannon, J.J.
Vice-President
Human Resource Planning
& Development
Montreal

Gilbert, W.H.
Vice-President
Succession Planning
Toronto

Holder, A.E.
Vice-President
Corporate Human Resource
Services
Toronto

Tucker, P.H.
Vice-President
Compensation & Employee
Relations
Montreal

**OPERATIONS &
SERVICE DELIVERY**

Gorman, W.J.
Executive Vice-President
Toronto

Elsie, H.E.
Senior Vice-President
Operations
Toronto

Aubut, C.A.
Vice-President
Quality Service
Montreal

Morrison, K.J.
Vice President
Network & Business Field
Automation
Toronto

Riviere, R.H.
Vice-President
Business & Field Operations
Toronto

Spicer, R.L.
Vice-President
Real Estate Resources
Delivery Network
Montreal

**SECRETARY'S
DEPARTMENT**

Lawson, J.E.
Vice-President & Secretary
Montreal

Grier, D.D.E.
Vice-President & Special Advisor
Corporate Affairs
Toronto

**SYSTEMS &
TECHNOLOGY**

Grant, J.C.
Executive Vice-President
Toronto

Smee, K.A.
Senior Vice-President
Toronto

Breen, J.K.
Vice-President
Technology Integration
Toronto

Dixon, J.D.
Vice-President
Retail Banking Systems
Toronto

Gazard, R.
Vice-President
Corporate
& Treasury Systems
Toronto

Heckman, G.R.
Vice-President
Technology Planning
& Development
Toronto

Truman, J.K.
Vice-President
Systems Integration
Toronto

**Computer & Network Services
Systems & Technology/
Operations & Service Delivery**

Wood, J.W.
Vice-President
Toronto

ATLANTIC

2,934
Staff
15
Area Managers
161
Branches & Centres
218
Automated
Banking Machines
8
Corporate Centre
Managers

QUEBEC

6,452
Staff
22
Area Managers
247
Branches & Centres
529
Automated
Banking Machines
12
Corporate Centre
Managers

**ONTARIO
(OUTSIDE TORONTO)**

9,113
Staff
48
Area Managers
420
Branches & Centres
916
Automated
Banking Machines
12
Corporate Centre
Managers

METROPOLITAN TORONTO

6,771
Staff
21
Area Managers
247
Branches & Centres
907
Automated
Banking Machines
17
Corporate Centre
Managers

ATLANTIC

Sutherland, R.J.
Senior Vice-President
& General Manager
Halifax
Coveyduck, C.J.
Vice-President
Retail Banking
& Service Delivery
Halifax
Gale, W.T.
Vice-President New Brunswick
Saint John
Middaugh, S.A.
Vice-President
Corporate Banking
Halifax
Walters, D.S.
Vice-President Newfoundland
& Labrador
St. John's

QUEBEC**Corporate Banking**

Turcotte, M.L.
Senior Vice-President
Montreal
Béland, J.P.
Vice-President
Montreal
Bergeron, J.J.
Vice-President
Corporate Banking
& Business Services
Montreal
Bernard, G.R.
Vice-President
Quebec East
Quebec City
Bigsby, E.
Vice-President
International Trade - Quebec
Montreal
Fauvel, J.R.J.
Vice-President
Montreal
Rager, J.T.
Vice-President & Manager
Place Ville Marie
Corporate Banking Centre
Montreal
Mimeault, M.A.R.
Vice-President
Lending
Montreal

QUEBEC**Retail Banking**

Berardinucci, D.A.
Senior Vice-President
Montreal
Bernard, R.G.
Vice-President
Montreal
Donofrio, S.L.
Vice-President & Area Manager
Quebec City
Quebec City
LeBrun, P.
Vice-President
Lending
Montreal
MacKenzie, G.T.
Vice-President
Retail Marketing & Service
Delivery
Montreal
Poirier, A.A.
Vice-President & Area Manager
Montreal Downtown
Montreal

**METROPOLITAN
TORONTO****Corporate Banking**

Johnson, G.J.
Senior Vice-President
Toronto
Colpitts, A.B.
Vice-President
Toronto
Dickson, G.A.A.
Vice-President
Toronto
Driedger, J.
Vice-President & Manager
Bloor & Yonge
Corporate Banking Centre
Toronto
Ferguson, E.D.
Vice-President & Manager
Mississauga Corporate
Banking Centre
Mississauga
Gale, D.C.
Vice-President
Corporate Marketing
& Business Services
Toronto
Goom, R.J.
Vice-President
Toronto
Kruyne, B.L.
Vice-President
Toronto

**METROPOLITAN
TORONTO****Corporate Banking**

McNish, G.A.
Vice-President
International Trade - Ontario
Toronto
Messmer, J.M.
Vice-President
Corporate Lending
Toronto
Munsters, F.M.
Vice-President
Toronto
Stanley, R.E.
Vice-President & Manager
Royal Bank Plaza
Corporate Banking Centre
Toronto

Retail Banking

Creasor, A.R.
Senior Vice-President
Toronto
Appleton, G.C.
Vice-President
Toronto
Harrison, K.W.
Vice-President
Retail Lending
Toronto
Klassen, J.R.
Vice-President & Area Manager
Toronto Central
Toronto
Macoun, C.H.
Vice-President & Area Manager
Mississauga South
Mississauga
Mills, W.J.
Vice-President Retail Banking
Toronto Downtown
Toronto
External Relations
Turner, G.E.
Vice-President
Toronto

ONTARIO

(OUTSIDE TORONTO)

Baptista, M.C.S.
Senior Vice-President
& General Manager
Burlington

Corporate Banking

Aitkenhead, W.B.
Vice-President & Manager
Regional Corporate
Banking Centre
Kitchener

Dinwoodie, W.R.
Vice-President
Burlington

French, R.C.
Vice-President
Burlington

MacNeill, A.S.
Vice-President & Manager
Regional Corporate
Banking Centre
Ottawa

Retail Banking

Fraser, L.C.
Vice-President
Burlington

Hatley, J.M.S.
Vice-President
Retail Marketing & Sales
Burlington

McLennan, D.R.
Vice-President
Burlington

Milbury, C.S.
Vice-President & Area Manager
Ottawa Downtown
Ottawa

Palmer, P.A.
Vice-President
Burlington

Lending

Cockburn, W.B.
Vice-President
Burlington

MANITOBA

Coffey, C.S.
Senior Vice-President
& General Manager
Winnipeg

Bannister, W.D.
Vice-President
Retail Banking
& Service Delivery
Winnipeg

Mills, A.A.
Vice-President
Corporate Banking
Winnipeg

SASKATCHEWAN

Edmonds, L.G.
Senior Vice-President
& General Manager
Regina

Philpott, H.A.
Vice-President
Lending/Corporate
& Independent Business
Marketing
Regina

ALBERTA

Kitchen, D.N.
Senior Vice-President
& General Manager
Calgary

Corporate Banking

Henry, J.E.
Vice-President
Edmonton

Smith, R.F.M.
Vice-President
Calgary

Oil & Gas Banking

Fong, C.L.
Vice-President
Oil & Gas Evaluations
Calgary

Gieck, L.K.
Vice-President
Calgary

Retail Banking

Juneau, R.M.
Vice-President
Calgary

Schneider, R.C.
Vice-President & Area Manager
Calgary Downtown
Calgary

ALBERTA

Lending

Tower, A.L.
Vice-President
Calgary

BRITISH COLUMBIA & YUKON

Gaffney, G.F.
Senior Vice-President
& General Manager
Vancouver

Corporate Banking

Haskins, R.A.R.
Vice-President
Vancouver

Lambert, B.H.
Vice-President & Manager
Vancouver Corporate
Banking Centre
Vancouver

Rafuse, P.J.
Vice-President
B.C. & Yukon
Vancouver

Retail Banking

Bright, G.R.
Vice-President
B.C. & Yukon
Vancouver

Lippert, H.
Vice-President & Area Manager
Vancouver Downtown
Vancouver

Reynolds, J.B.
Vice-President & Area Manager
Greater Victoria
Victoria

Robin, A.E.
Vice-President & Area Manager
B.C. North & Yukon
Prince George

Lending

Graham, D.A.B.
Vice-President
Vancouver

MANITOBA

2,137
Staff

13
Area Managers

98
Branches & Centres

151
Automated
Banking Machines

1
Corporate Centre
Manager

SASKATCHEWAN

1,771
Staff

17
Area Managers

122
Branches & Centres

125
Automated
Banking Machines

2
Corporate Centre
Managers

ALBERTA

4,136
Staff

17
Area Managers

163
Branches & Centres

352
Automated
Banking Machines

4
Corporate Centre
Managers

BRITISH COLUMBIA

5,825
Staff

23
Area Managers

187
Branches & Centres

434
Automated
Banking Machines

8
Corporate Centre
Managers

UNITED STATES

554

Staff

684

Correspondent Banks



In the U.S.A. – top tier Corporate Banking with Treasury, Investment and Private Banking.

LATIN AMERICA
AND CARIBBEAN

2,014

Staff

222

Correspondent Banks



In Latin America – Trade Finance and relationship managing multi-nationals and other top tier Corporate Banking clients.
In the Caribbean – Retail and Private Banking business.

U.S.A.

Robertson, D.L.
Senior Vice-President
& General Manager
New York

Gibbins, J.D.
Vice-President
Treasury
U.S.A., Latin America
& Caribbean
New York

Groves, J.R.
Vice-President
Financial Institutions – U.S.A.,
Latin America & Caribbean
New York

McCutcheon, E.R.
Vice-President
Corporate Banking
New York

Moodie, W.T.
Vice-President
Branch Services
New York

Metropolitan New York

Brewster, J.P.W.
Vice-President
Corporate Banking
New York

Eastern U.S.A.

Gillespie, G.D.
Vice-President
Corporate Banking
New York

Gleason, T.L.
Vice-President
Corporate Banking
Atlanta

Midwestern U.S.A.

Murray, W.
Vice-President
Corporate Banking
Chicago

Western U.S.A.

Lafontaine, R.C.A.
Vice-President
Corporate Banking
Los Angeles

McArthur, A.A.
Vice-President
Corporate Banking
Houston

CARIBBEAN

Bahamas & Cayman Islands

Jacobsen, H.A.
Vice-President
Nassau, Bahamas

Barbados & Eastern Caribbean

Maloney, C.D.
Vice-President
Bridgetown, Barbados

Puerto Rico

Littlewood, K.A.
President
Royal Bank de Puerto Rico
Hato Rey, Puerto Rico

LATIN AMERICA

Rednall, J.N.T.
Senior Vice-President
Corporate Banking
São Paulo

EUROPE

Pritchard, D.P.
Senior Vice-President
& General Manager
London, England

Corporate Banking

Gartner, G.M.
Vice President
Corporate Banking – U.K.
& Ireland
London, England

Kikano, K.N.
Vice-President
Corporate Lending
London, England

Scammell, S.G.A.
Vice-President
Corporate Banking –
Continental Europe
London, England

Treasury

Klingsick, M.G.
Vice-President
Treasury Products –
Europe
London, England

Barnett, D.J.
Vice-President
Trading
London, England

Wong, E.Y.H.
Vice-President
Swaps & Interest Rate
Management
London, England

Royal Bank of Canada Europe Limited

Masleck, R.A.
Managing Director

Senior Vice-President
Finance & Administration
Europe
London, England

Sanders, J.R.
Chairman
London, England

Channel Islands

Betley, T.J.
Managing Director
Royal Bank of Canada
(Channel Islands) Limited
Guernsey

Germany & Eastern Europe

Tatrallyay, G.P.Z.
Vice-President
Corporate Banking
Frankfurt

ASIA

McKay, V.G.
Senior Vice-President
& General Manager
Tokyo

Hong Kong

Gibbs, T.P.
Vice-President
& General Manager
Hong Kong & China
Hong Kong

Japan

Primeau, J.N.
Vice-President
& General Manager
Treasury – Asia
Tokyo

Williams, J.A.
Vice-President
Corporate Banking – Japan
& General Manager Tokyo
Branch
Tokyo

Singapore

Legg, B.F.
Vice President
Corporate Banking –
South East Asia &
General Manager –
Singapore Branch
Singapore

EUROPE

842
Staff

1,059
Correspondent Banks



Corporate Banking, Financial Institutions, Treasury and
Private Banking business.

ASIA PACIFIC

370
Staff

368
Correspondent Banks



Corporate Banking, Financial Institutions, Private Banking.
Investment Banking and Treasury business.

SHAREHOLDER INFORMATION

CORPORATE HEADQUARTERS

Street Address: 1 Place Ville Marie
Montreal, Quebec
Canada

Telephone: (514) 874-2110
Fax: (514) 874-7197
Telex: 055-61086

Mailing Address: Royal Bank of Canada
P.O. Box 6001
Montreal, Quebec
Canada H3C 3A9

STOCK EXCHANGE LISTINGS (Symbol: RY)

Common shares listed on:
Canada: Montreal, Toronto, Vancouver, Winnipeg and Alberta
Stock Exchanges.

Japan: Tokyo Stock Exchange

Switzerland: Basle, Geneva, Zurich

U.K.: London Stock Exchange

All Preferred shares, except Series C and D, are listed on the
Toronto and Montreal Stock Exchanges. Preferred shares
Series C and D are listed on the Alberta Stock Exchange.

TRANSFER AGENT AND REGISTRAR

Main Agent: Montreal Trust
Company of Canada

Mailing Address: P.O. Box 890,
Station "B"
Montreal, Quebec
Canada H3B 3K5

Street Address: 1800 McGill College Avenue
Montreal, Quebec
Canada H3A 3K9

Telephone: (514) 982-7000
Fax: (514) 982-7580
Telex: 055-61286

Co-Transfer Agents (Canada)

Montreal Trust Company of Canada

Halifax, N.S.	Toronto, Ontario
1690 Hollis Street	151 Front Street West
P.O. Box 2187	8th Floor
B3J 3C5	M5J 2N1

Calgary, Alberta	Regina, Sask.
411-8th Avenue S.W.	1778 Scarth Street
T2P 1E7	S4P 2G1

Winnipeg, Man.	Vancouver, B.C.
221 Portage Avenue	510 Burrard Street
P.O. Box 369	V6C 3B9
R3C 2J1	

Co-Transfer Agent (United Kingdom)

National Westminster Bank PLC
Registrar's Department
P.O. Box No. 82, Caxton House
Redcliffe Way, Bristol, England
BS99 7NH

Shareholder Service Agent (Japan)

The Yasuda Trust and Banking Co. Ltd.
1-2-1, Yaesu, Chuo-ku
Tokyo, Japan

SHAREHOLDER DIVIDEND AND SHARE PURCHASE PLAN

Shareholders of record or beneficial owners of common and/or of certain eligible series of preferred shares may enroll in the plan. Participants in the plan may elect to receive their dividends in the form of new common shares (stock dividends) or reinvest their cash dividends in new common shares. In both instances, the price of the new common shares is 95% of the average market price determined at the date of the dividend payment. Participants in the plan may also make optional payments to purchase new common shares as frequently as once a month (on the investment date) for an aggregate amount up to Cdn. \$7,500 per quarterly dividend period at 100 per cent of the average market price.

Further information on the shareholder dividend and share purchase plan may be obtained from the shareholder relations department, at the Bank's corporate headquarters.

Shareholder inquiries pertaining to the status of plan accounts may be directed to the plan agent, Montreal Trust Company of Canada, Attn. dividend reinvestment services at the mailing address listed or by telephoning (514) 982-7666.

DIVIDEND RECORD DATES

Usually the 24th of January, April, July and October, except for First Preferred Series E, F and G. The dividend record date for the First Preferred shares Series E is the last day for each month, and for the First Preferred shares Series F and G is the second week of January, April, July and October.

DIVIDEND PAYMENT DATES

Usually the 24th of February, May, August and November, except for First Preferred Series E, F and G. The dividend payment date for the First Preferred shares Series E is the 12th day of each month, and for the First Preferred shares Series F and G is the last business day of January, April, July and October.

VALUATION DAY PRICE

For capital gains purposes, the Valuation Day (December 22, 1971) cost base for common shares of Royal Bank of Canada, adjusted for prior stock splits, is \$7.38 per share.

DIRECT DEPOSIT SERVICE

Shareholders may also elect to have their dividends deposited directly into their savings or chequing accounts at any financial institution which is a member of the Canadian Payments Association. To arrange, please write to our Shareholder Relations Department, at the Bank's corporate headquarters.

INSTITUTIONAL INVESTOR, BROKER, SECURITY ANALYST CONTACT

Institutional investors, brokers, security analysts and others desiring financial information about the Bank should contact the Manager, Investor and Shareholder Relations, at the Bank's corporate headquarters.

DUPLICATE ANNUAL REPORTS

Some registered holders of shares of Royal Bank of Canada might receive more than one copy of shareholder information mailings such as this Annual Report. While every effort is made to avoid duplication, if securities of the same class or series are registered in different names and/or addresses, multiple copies are forwarded. Shareholders receiving more than one copy are requested to write to our Shareholder Relations Department, at corporate headquarters, so that arrangements may be made to avoid duplicate mailings.

Information concerning Royal Bank and its activities in Canada and abroad may be obtained from the Public Affairs Department, at the Bank's corporate headquarters.

